

Engineer admits tax guilt

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By ROBERT WINDREM
Home News staff writer
NEWARK — William A.

Dailey, the former township engineer in North Brunswick and East Brunswick, yesterday pleaded guilty here to federal income tax evasion charges.

Dailey, 45, of 12 Birchwood Court, West Windsor, entered pleas of guilty to two of nine tax evasion charges on which he was indicted May 14 for failing

Investigation
to report a total of \$672,308 paid him by the township between 1970 and 1974.

The guilty pleas before U.S. District Court Judge Herbert J. Stern were the latest development in a two-year federal investigation of alleged municipal corruption in North Brunswick.

Sources close to the investigation have said Dailey's tax returns, approvals for Hidden

Lake housing development and contracts between the township and its vendors are the focus of the inquiry. Although a spokesman for the U.S. Attorney here declined comment whether Dailey agreed to cooperate in the investigation, there was evidence prosecutors intend to move next on township contracts. In stating Dailey was indicted for reporting money paid him by the township.

the spokesman said the money was for "claimed performance" of professional engineering services.

In addition, U.S. Atty. Jonathan Goldstein has said the investigation will continue to discover "the ultimate disposition of those funds."

Dailey was also the North Brunswick township engineer when the controversial Hidden

See ENGINEER, page 3

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JUL 02 1976

Continued from page one

Lake development was approved during the early 1970s. Hidden Lake residents have questioned some of Dailey's engineering judgments during the approval process for the 325-acre development.

Before accepting Dailey's plea, Stern warned him an admission of guilt would not necessarily result in a lenient sentence. "If anybody has spoken to you about your sentence, they are lying to you and deceiving you," Stern said. Dailey said he had received no promises of leniency.

Stern scheduled sentencing for Sept. 14.

Dailey's indictment charged he failed to report \$43,676 in earnings from North Brunswick in 1970; \$107,278 in 1971; \$83,222 in 1972, and \$129,781 in 1973. In addition, it charged he failed to

report \$108,250 in corporate income during the 1974 fiscal year. Dailey is president of Technical Testing Inc. and Brunswick Engineering, firms which did business with the township.

If the engineer had reported all the income, he would have been liable for about \$78,000 more than he paid in federal income taxes.

The maximum sentence he could have received if convicted of all nine counts would have been 33 years in prison and \$70,000 in fines. By pleading guilty, Dailey reduced his maximum liability to 10 years in prison and \$20,000 in fines.

Before serving as engineer for the two townships, Dailey was an elected city commissioner in New Brunswick, where he formerly lived, and a member of the Middlesex County Sewerage Authority.